Expenditure on Cable Television[12]

HH Income Group	% w/CATV	Avg. Expenditur
Under 10K Annually	61.76%	$30.22
$10K-$19,999	65.14%	$30.04
$20K-$29,999	69.25%	$31.09
$30K-$39,999	73.45%	$31.69
$40K-$49,999	75.47%	$32.12
$50K-$74,999	81.18%	$34.16
$75K-$99,999	85.20%	$33.41
$100K and Over	93.60%	$42.92

- The figures represent only the subset of the population where cable was available. For example, Row 1 indicates that where access to CATV is available, 61.7% of HH earning less than $10K a year subscribe to some form of cable, and spend an average of $30 monthly.

[12] Taken from *Bill Harvesting II.* These figures include any amount spent on premium channels (HBO, etc.,) but do not include any expenditure for pay-per-view movies, sporting events, concerts, etc..

Income Group as % of Non-connected Population[13]

HH Income Group	% of Pop.	% of Non-Connecte
Under 10K Annually	11.1	33.80
$10K-$19,999	18.9	27.90
$20K-$29,999	18.8	12.90
$30K-$39,999	15.3	7.80
$40K-$49,999	10.8	6.40
$50K-$74,999	19.1	6.60
$75K-$99,999	3.7	3.10
$100K and Over	2.3	1.00

- As the table shows, low income households make up 11.1% of the population but account for 33.8% of the households *not* connected to the telephone network (either by choice or for other reasons)

- However, it is important to note that income is clearly not the only factor involved since over 10% of those HH not connected are earning over $50K annually.

[13] Figures taken from *ReQuest III Database*, PNR & Associates, Inc..

Notes on the Data Sources Used:

- *Bill Harvesting II* is a database compiled by PNR & Associates, Inc., an economic research firm based in Philadelphia, Pennsylvania. This database includes 10,000 observations of actual expenditure on telecom (and other) services.[14] All respondents were residential customers (no business) and all expenditure figures are monthly. The sample is statistically projectable, representative, appropriately weighted and proportioned so that all results are statistically and econometrically valid.
- *ReQuest III* is a separate database, also from PNR & Associates, made up of over 30,000 observations (again residential) addressing slightly different issues such as purchasing and usage habits, perspectives on quality and value of service, etc.. This sample is also statistically valid, representative and projectable.
- Both sets of data were gathered in 1995.

[14] Respondents sent in their actual bills to be tabulated.

Loop Costs vs Common Line Revenue

Customer	SLC	Interstate CCL	Intrastate CCL	Total Common Line Rev.	Loop Cost (BCM)	Percentage of Loop Costs Recovered from SLC/CCLC Charges
A	$6.00	$21.52	$14.16	$41.68	$9.20	453%
B	$3.50	$0.18	$0.00	$3.68	$100.38	4%
C	$3.50	$1.78	$61.11	$66.39	$18.77	354%
D	$3.50	$2.26	$1.10	$6.86	$18.77	37%

*Actual United of Missouri customers - revenue based on 4/96 billing and usage records; cost based on benchmark cost model

Exhibit 4

Quantification of Subscriber Charge

	Revenues Included in the Subscriber Charge			Per Line Subscriber Charge Estimate			
	CCLC @ Current Rates	NTS Switching @ Current Rates (33.72% of Tot Sw)	Total Switched Revenue in the Subscriber Charge	Access Lines	Monthly Per Line Increase to the Subscriber Charge	Current SLC	Total Subscriber Charge
Ameritech	$ 228,957,295	$ 135,834,218	$ 364,791,513	16,018,537	$ 1.69	$ 3.89	$ 5.58
Bell Atlantic	$ 339,530,481	$ 153,485,570	$ 493,016,051	19,155,217	$ 2.14	$ 4.09	$ 6.24
Bell South	$ 686,414,764	$ 164,582,394	$ 850,997,158	20,234,069	$ 3.50	$ 4.15	$ 7.65
Citizens	$ 48,611,379	$ 11,832,066	$ 60,443,445	789,344	$ 6.38	$ 5.15	$ 11.53
GTE/Contel	$ 704,465,430	$ 195,473,503	$ 899,938,933	16,190,925	$ 4.63	$ 4.03	$ 8.66
Lincoln	$ 1,007,510	$ 2,970,179	$ 3,977,689	245,432	$ 1.35	$ 3.72	$ 5.07
NYNEX	$ 371,008,389	$ 241,856,624	$ 612,865,013	16,153,901	$ 3.16	$ 4.21	$ 7.37
Pacific	$ 180,429,563	$ 104,959,280	$ 285,388,843	15,374,728	$ 1.55	$ 3.93	$ 5.48
Rochester	$ 18,688,458	$ 13,517,604	$ 32,206,062	650,252	$ 3.16	$ 3.77	$ 6.93
SNET	$ 41,560,127	$ 33,765,474	$ 75,325,601	1,934,734	$ 3.24	$ 4.12	$ 7.36
SWBell	$ 262,976,975	$ 99,269,692	$ 362,246,667	13,390,033	$ 2.25	$ 4.21	$ 6.47
USWest	$ 272,253,403	$ 139,135,057	$ 411,388,460	14,190,697	$ 2.42	$ 4.08	$ 6.50
Sprint	$ 234,322,444	$ 68,163,875	$ 302,486,319	6,473,681	$ 3.89	$ 3.90	$ 7.79
	$ 3,390,226,218	$ 1,364,845,536	$ 4,755,071,754	143,001,550	$ 2.77	$ 4.06	$ 6.83

Exhibit 5

Sprint LTD
Effect of Uncapping SLC for Multi-Line Business and Additional Line Residential

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)
Filing Entity	Common Line - BFP Annual Revenue Requirement @ 11.25%	Single Line Res	Single Line Bus	Multi Line	Total Access Lines (C) + (D) + (E)	BFP per Line (B) / (F)	Multi-Line Bus SLC Rate	Single Line SLC Rate	Common Line Revenue	CCL Reduction from Uncapped Multi-Line ((G) - (H)) * (E) * 12	CCL Reduction from Uncapping Multi-Line as % of Total CCL Revenue (J) / (I)	CCL Reduction from Uncapped Second Lines ((G) - (I)) * ((C) * .11) * 12	CCL Reduction from Uncapping Single-Line as % of Total CCL Revenue (L) / (I)
Florida	$ 124,888,084	1,231,556	88,883	399,042	1,719,481	$ 6.05	$ 6.00	$ 3.50	$ 61,769,236	$ 251,897	0.41%	$ 4,149,652	6.72%
Illinois	$ 13,421,882	120,809	7,183	75,404	203,396	$ 5.50	$ 5.50	$ 3.50	$ 4,685,525	$ -	0.00%	$ 316,787	6.83%
Indiana	$ 16,007,373	175,043	11,526	36,334	222,903	$ 5.98	$ 5.98	$ 3.50	$ 9,018,978	$ -	0.00%	$ 574,045	6.37%
Nevada	$ 29,496,992	474,695	70,502	166,312	711,449	$ 3.46	$ 3.46	$ 3.46	$ 3,212,627	$ -	0.00%	$ -	0.00%
North Carolina	$ 92,596,752	970,087	117,214	201,863	1,289,164	$ 5.99	$ 5.99	$ 3.50	$ 35,954,887	$ -	0.00%	$ 3,182,924	8.85%
Ohio	$ 39,984,685	425,747	24,100	107,746	557,593	$ 5.97	$ 5.97	$ 3.50	$ 18,162,829	$ -	0.00%	$ 1,389,678	7.65%
Eastern	$ 37,686,616	402,883	32,443	102,460	537,586	$ 5.84	$ 5.84	$ 3.50	$ 13,235,495	$ -	0.00%	$ 1,245,009	9.41%
Midwest	$ 86,327,241	642,840	44,407	165,432	852,479	$ 8.44	$ 8.00	$ 3.50	$ 45,188,922	$ 4,841,563	10.71%	$ 4,189,546	9.27%
Northwest	$ 12,157,044	102,243	6,026	32,966	141,235	$ 7.17	$ 6.00	$ 3.50	$ 6,279,975	$ 464,053	7.39%	$ 495,719	7.89%
Southeast	$ 56,998,322	511,202	36,673	131,871	679,746	$ 6.99	$ 6.00	$ 3.50	25,918,333	$ 1,562,986	6.03%	$ 2,353,452	9.08%
Sprint LTD	$ 509,550,951	5,056,625	438,957	1,419,450	6,915,032	$ 6.14			$223,402,786	$ 7,120,489	3.19%	$ 17,896,812	8.01%

Source: 1996 Annual Filing - *Common* Line SLC Restructure Worksheet

Exhibit 6

Non-Traffic Sensitive (NTS) Costs in Local Switching

State: New Jersey Example Exchanges	(NTS) Unbundled Port Charge	Loc Sw. Rate Orig/Term MOU	Assumed MOU	Usage Based Sw. Revenue	Total Unbundled Sw. Revenue	% of NTS to Total Sw.	Interstate Portion of NTS Switching 29.01% *
Clinton	$ 2.46	0.002491	1523	$ 3.79	$ 6.25	39%	$ 0.71
Newton	$ 2.46	0.003192	1523	$ 4.86	$ 7.32	34%	$ 0.71
Lake Mohawk	$ 2.46	0.004279	1523	$ 6.52	$ 8.98	27%	$ 0.71
Sussex	$ 2.46	0.004696	1523	$ 7.15	$ 9.61	26%	$ 0.71
Flemington	$ 2.46	0.002859	1523	$ 4.35	$ 6.81	36%	$ 0.71

Note: All cost data was developed in our preliminary analysis of unbundled element cost studies.

* Interstate Switched % = 1995 year-end separations allocation %

Exhibit 7

Switching Set-up Costs as a % of Total Usage Switching Costs

Example Exchanges		Set- up Cost Line	Set- up Cost Trunk	Set- up Cost Total	CCS Cost Line	CCS Cost Trunk	CCS Cost Total	Average Hold Time	Set-up Cost as % of Total Cost of a Message
Clinton	New Jersey	0.000197	0.0006	0.000797	0.001034	0.001095	0.002129	5.95	5.92%
Ft. Myers	Florida	0.000212	0.000242	0.000454	0.000778	0.001872	0.00265	6.2	2.69%
Winter Park	Florida	0.000239	0.000293	0.000532	0.000818	0.000982	0.0018	6.2	4.55%
Tallahassee	Florida	0.000241	0.000298	0.000539	0.000822	0.000807	0.001629	6.2	5.07%
Naples	Florida	0.000445	0.0005	0.000945	0.001425	0.001306	0.002731	6.2	5.29%
Las Vegas (South-5 #1)	Nevada	0.000099	0.000181	0.00028	0.0006443	0.000884	0.0015283	6.48	2.75%
Las Vegas (Main-1)	Nevada	0.000153	0.000257	0.00041	0.0007429	0.0011528	0.0018957	6.48	3.23%

Note: All cost data was developed in our preliminary analysis of unbundled element cost studies.
The average holding time is the 4th quarter 1996 average time as recorded in demand studies.

Exhibit 8

Analysis of the TIC Elimination Period

As Sprint has advocated, ILECs should be given an opportunity to target a portion of the price cap productivity factor to the TIC. We offer an estimate of the period of time necessary to phase out the TIC for price cap companies. The following assumptions are included in the analysis:

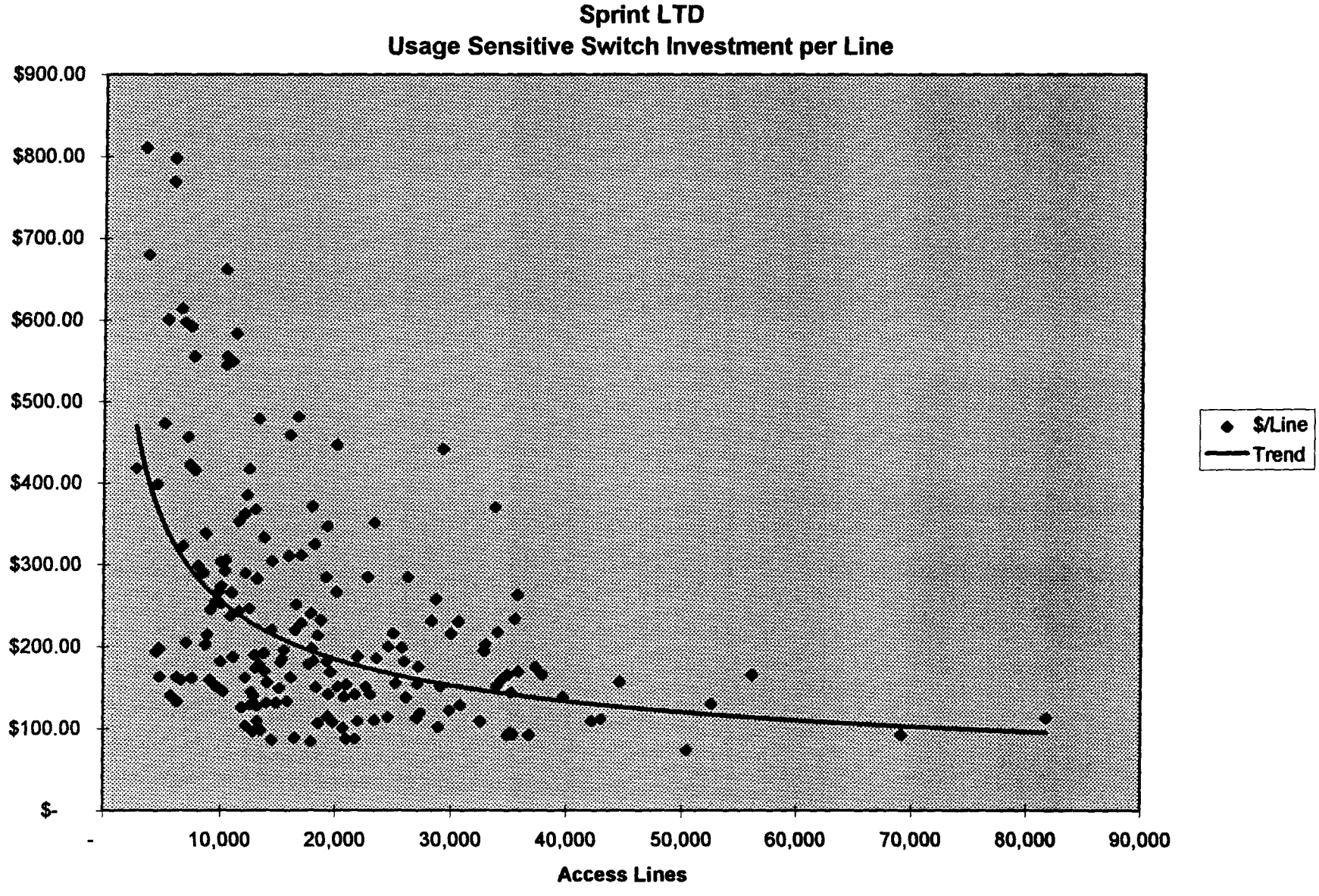
1) Since we are unable to quantify the amounts other ILECs will remove from TIC related to tandem switching, etc., the analysis is based on a elimination of the full TIC.
2) The total productivity reduction in each year is targeted at elimination of the TIC.
3) Switched Minutes are assumed to grow 6% per year.
4) Access Lines are assumed to increase 3.5 per year.
5) The productivity factor is set at 5.3%.
6) Inflation is assumed to be 2.49% per year.
7) Special access will grow at 10% and other access services (800, BNA, etc.) will grow at 5%.

Formula: $\frac{\text{(Productivity Factor - Inflation Factor) * Total Access Revenues}}{\text{Current TIC Revenue}}$ = % Change in TIC rate

Under the set of assumptions, TIC is eliminated over the following periods of time:

ILEC	# of Years
Ameritech	5
Bell Atlantic	5
Bell South	3
Citizens	5
GTE/Contel	3
Lincoln	>5
NYNEX	>5
Pacific	3
Rochester	2
SNET	4
SBC	4
USWest	>5
Sprint	3

Exhibit 9


Sprint LTD
Usage Sensitive Switch Investment per Line
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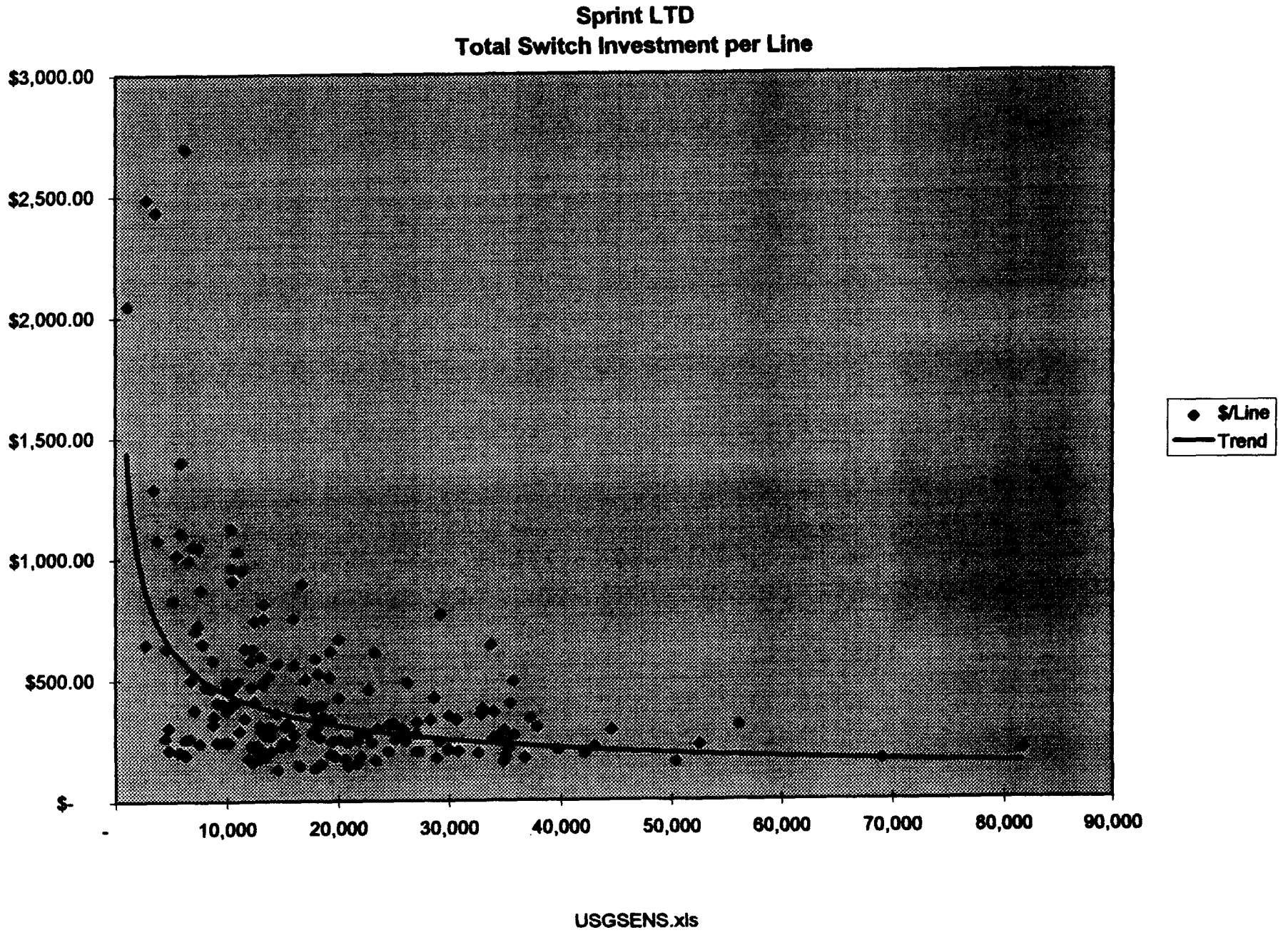
$800.00
$700.00
$600.00
$500.00
$400.00
$300.00
$200.00
$100.00
$-
-
10,000
20,000
30,000
40,000
50,000
60,000
70,000
80,000
90,000
Access Lines
$/Line
Trend

Exhibit 10


Sprint LTD
Total Switch Investment per Line
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$2,500.00
$2,000.00
$1,500.00
$1,000.00
$500.00
$-
-
10,000
20,000
30,000
40,000
50,000
60,000
70,000
80,000
90,000
$/Line
Trend
USGSENS.xls

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